



**King County Mental Health Chemical Abuse and Dependency Services Division
2002 Briefing Paper**

**CHEMICAL DEPENDENCY RESIDENTIAL TREATMENT
AVAILABILITY/REIMBURSEMENT RATES**

BACKGROUND:

Current state Division of Alcohol and Substance Abuse (DASA) reimbursement rates for chemical dependency residential services fall seriously short of the actual cost of providing these services. As a result, King County has been forced to subsidize the costs of state beds at its Cedar Hills Addiction Treatment (CHAT) facility, expending over \$3 million since January 1, 1999. The 2002 King County Current Expense (CX) contribution to CHAT public health and substance abuse services totals \$1.4 million.

The King County Executive has submitted to the King County Council a proposed Adult Justice Operational Master Plan (AJOMP) to address rising criminal justice, particularly county jail costs in King County. As part of their recommendations, the AJOMP calls for the closure of CHAT by December 31, 2002. The primary reason for the proposed closure of Cedar Hills is fiscal: services are provided under contract with the State Department of Social and Health Services but the reimbursement rates are completely inadequate to provide for the needs of this population and have not increased to keep up with the increase of treatment costs. As a consequence of the increasing need for county subsidy of the state's chemical dependency services, the AJOMP recommended closure. A portion of the savings from the closure of Cedar Hills and the North Rehabilitation Facility, which are both slated for closure by December 31, 2002, are proposed to be reinvested in chemical dependency treatment and alternative supervision and sanction options (approximately \$3 million).

The loss of the Cedar Hills facility does not mean that the need for the services it provides will go away. Cedar Hills currently provides inpatient treatment for the most chronic and severely disabled population of substance abusers, at the level and range of service needed by frequent and longer-term users of county detention services to break the cycle of repeated involvement in emergency medical and public safety services. Residential treatment falls into three types of programs: 30-day Intensive, 90-day Long Term Care, and 60-day Recovery House. The average length of stay varies dependent upon the client's progress through treatment and the level of care. Other residential providers in King County hope that they will be able to develop capacity to keep the beds locally but they, too, face funding challenges due to low rates.

ISSUES/CHALLENGES:

The state contract reimburses Cedar Hills for 35 Intensive (30-day) beds at \$66.88/day; 48 Recovery House (60-day) beds at \$37.97/day; and 39 Long-term (90-day) beds at \$52.24/day – with an average reimbursement rate of \$57.22/day. The average cost per bed is approximately \$99.29/day, requiring a MHCADSD subsidy of over \$1.9 million (based on 100% enrollment) to provide chemical dependency services for 2003. Additional costs are incurred by Public Health for running the medical services at CHAT, approximately \$1 million per year. Public Health must also fund a part-time psychiatrist at \$62,000 and a psychiatric nurse at \$128,000 per year - costs that are necessary for the significant number of persons with dual diagnosis of mental illness and substance abuse. Given these costs, the county cannot continue to subsidize CHAT operations.

CHAT has provided chemical dependency services to the most difficult to serve populations – chronic substance abusers, homeless addicts and other intensive need persons. It has been the “safety net” for these chronic populations.

There are not currently enough residential treatment beds or safe housing units available in King County to accommodate the number of persons served by CHAT. There are 355 licensed chemical dependency beds in King County for adult low/no income persons. Cedar Hills has been licensed to provide 150 of those beds. Only 145 of the 355 licensed King County beds are for long-term treatment for adults who are chronic addicts. MHCADSD must work with local providers and the state DASA to try to ensure that beds are available to this high-risk population.

DATA:

In 2001, Cedar Hills provided 45,621 bed days of treatment. Eighty-two percent of State-funded clients complete treatment: 88% complete treatment in the 30-day program; 81% complete the 60-day program; 71% complete the long-term treatment program. Cedar Hills has developed expertise in treating the indigent, homeless, chronic alcoholic and street addict. Information for the last 12 months is reflective of that fact:

1392	Admissions (statewide)
954	Persons
85%	King County Residents (811 total)
62%	of those are from Seattle (503)
76%	Zero income
89%	Zero income or public assistance
93%	Income less than \$500/month (754)
33%	Homeless (King County: 268; Seattle: 166)
68%	Chronic substance abusers

RECOMMENDATIONS/LEGISLATIVE ACTION:

Ensure continuation of state DASA funding for chemical dependency residential treatment beds in King County and work with local chemical dependency residential providers to absorb the maximum number of licensed beds when Cedar Hills closes at the end of 2002. Work with the DASA and state legislators to increase state funding for chemical dependency residential treatment to bring reimbursement for those services in line with the actual cost of providing the treatment. Work with the US Department of Housing and Urban Development (HUD) and the King County Housing Authority to increase the number of Section 8 housing vouchers available to this population.